

**CITY COUNCIL STUDY SESSION ON
SERVICE DELIVERY MODELS
JANUARY 12, 2006**

Present: Council Members - Chavez, Chirco, Nguyen, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - Campos, Cortese, LeZotte and Pyle.

Staff: City Manager Del Borgsdorf, City Attorney Richard Doyle, Budget Director Larry Lisenbee, City Auditor Gerald Silva, City Clerk Lee Price, Legislative Secretary Susan Davis.

Documents filed: (1) Memorandum from Mayor Gonzales, dated December 13, 2005, detailing the purpose of the Service Delivery Model Study Session and transmitting: (a) New Realities Task Force Final Report and (b) Semi-Annual Recommendation Follow-up Report on all Outstanding Audit Recommendations for the Six Months ended June 30, 2005 as prepared by City Auditor Silva; (2) Memorandum from Mayor Gonzales, dated January 5, 2006, with the final Study Session Agenda and a compilation provided by Deputy City Manager Kay Winer of employee input regarding alternative service delivery, (3) Hard copy of staff presentation, Current Budget Condition and 2006-2007 Preliminary General Fund Forecast Update, dated January 12, 2006; (4) Hard copy of staff presentation, Improving Services through Performance Auditing, dated January 12, 2006, by City Auditor Silva; (5) Hard copy of slide presentation, Improving Services through Performance Measurement and Reporting, by Richard Tracy, retired Director of Audits, City of Portland, Oregon; (6) Hard copy of slide presentation, Alternative Service Delivery, provided by Parks, Recreation and Neighborhood Services; and (7) Service Delivery Models Comments of the Afternoon Study Session as compiled by Staff.

Mayor Gonzales called the meeting to order at 8:10 a.m. and asked for a moment of silence in honor of slain East Palo Alto Police Officer Richard May.

1. Overview Presentations

Budget Director Larry Lisenbee presented the Current Budget Condition, historic information on past budget revenues, expenditures and major state budget actions from 1990-2005, ongoing cost-containment strategies, and a preliminary General Fund forecast update for 2006-2007. City Manager Del Borgsdorf continued with the factors affecting the City's current service delivery.

City Auditor Gerald Silva presented an outline of previously identified service delivery options recommended for improvement and a listing of options not yet implemented.

Council questions and comments followed both presentations.

2. Outside Perspectives Panel

Dick Tracy, retired Director of Audits for the City of Portland, Oregon, presented an outline for improving services through performance measurement and reporting, citing Portland, Oregon's experience.

Ted Gaebler, City Manager for the City of Rancho Cordova, California, presented recommendations on how Council can collaboratively foster an environment for change by redeploying existing resources.

Council questions and comments followed.

The Study Session recessed at 10:44 a.m. and reconvened at 10:55 a.m.

3. Employee Panel

A panel comprised of City Staff, City Department Heads, the City Auditor and Budget Director discussed ideas for improving the City's service delivery models.

Council questions and comments followed.

4. Public Comments

There were none.

The Study Session recessed at 11:35 a.m. and reconvened at 1:06 p.m. with Council Member Yeager also absent.

5. Council Discussion

Council and stakeholder brainstorming session was held to develop methods to evaluate and improve the performance of City service delivery models. Mayor Gonzales directed staff to assimilate the brainstorming results, employee input as noted in Deputy City Manager Winer's memorandum, and New Realities Task Force Final Report, and return to Council on February 14, 2006 with the top 10 recommendations based on their long term benefits for the City.

6. Public Comments

- (1) Bill Chew congratulated the Mayor and Council on today's discussion.

7. Adjourn

The Council of the City of San José adjourned the Study Session at 2:24 p.m.

ATTEST:

LEE PRICE, MMC, CITY CLERK

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